

Proposed revised policy:

WHISTLEBLOWER POLICY

A key defense against fraud, improper or questionable activities occurring in any organization is the knowledge of, and availability to have, a means for employees and others to report, anonymously, suspected wrongdoing (whistle-blowing).

GENERAL

The Town of Sunset Beach (collectively, “The Town”) requires that its employees observe high standards of business and personal ethics in the conduct of their duties and responsibilities for The Town. All of such persons must practice honesty and integrity in fulfilling their responsibilities to The Town and must comply with all applicable federal, state and local laws and regulations.

The objectives of this Whistleblower Policy are to establish a policy and procedures for:

- the reporting of Concerns regarding illegal or improper conduct by employees and other officials of The Town, on a confidential and anonymous basis,
- the receipt, retention and treatment of complaints received by The Town regarding any illegal practices or serious violations of Town policies, and
- the protection of employees reporting Concerns from retaliatory actions.

REPORTING RESPONSIBILITY

The Town encourages complaints, reports or inquiries about illegal practices or serious violations of The Town’s policies, including illegal or improper conduct by The Town itself, by its leadership, or by others on its behalf (hereinafter individually or collectively referred to as “Concerns”). Possible Concerns raised under this Policy would include financial improprieties, accounting or audit matters, misuse of The Town’s resources, ethical violations or other illegal or improper practices or policies. Other subjects on which The Town has existing complaint mechanisms should be addressed under those mechanisms, such as raising matters of alleged discrimination or harassment. This Policy is not intended to provide an alternative to or a means of appeal from outcomes in those other mechanisms.

NO RETALIATION

This Whistleblower Policy is intended to encourage and enable employees of The Town to raise Concerns within The Town for investigation and appropriate action. With this goal in mind, no employee who, in good faith, reports a Concern shall be subject to retaliation or, in the case of an employee, adverse employment consequences as a result of such report or cooperating with the investigation of such report. Moreover, employees

within The Town, who retaliate against someone who has reported a Concern in good faith is subject to discipline up to and including termination of employment.

REPORTING BY EMPLOYEES

The Town has an open door policy and suggests that employees share their questions, concerns, suggestions and complaints with someone who can address them properly. In most cases an employee's immediate supervisor is the best person to address the concern. If, after speaking with his or her supervisor, the employee continues to have reasonable grounds to believe the Concern is valid, but has not been satisfactorily addressed by his or her supervisor, the employee should report the Concern to the Town Administrator (collectively, the "TA") of The Town. In addition, if the employee is uncomfortable speaking with his or her supervisor, or the supervisor is a subject of the Concern, the employee should report his or her Concern directly to the TA of The Town. If the TA is the subject of the Concern, then the employee should report the Concern directly to The Town's Mayor/Mayor Pro-Tem. If the Concern was reported verbally to the TA, the reporting individual, with assistance from the TA, shall put the Concern in writing. The TA is required to promptly report the Concern to The Town's Mayor/Mayor Pro-Tem. If the TA, for any reason, does not promptly forward the Concern to The Town's Mayor/Mayor Pro-Tem, the reporting individual should directly report the concern to The Town's Mayor/Mayor Pro-Tem.

Concerns may also be submitted anonymously. Such anonymous Concerns should be in writing and should be sent as per the reporting process defined above.

HANDLING OF REPORTED VIOLATIONS

Reported Concerns shall promptly be addressed and notification will be made to the next level of leadership. The investigating party will notify the complainant and acknowledge receipt of the Concern within five (5) business days, if possible. It will not be possible to acknowledge receipt of anonymously submitted Concerns. The person receiving the notification of alleged wrongdoing shall be responsible for conducting a prompt, discreet and objective review or investigation of the Concern(s) and recommending appropriate corrective action to the TA who will report any action taken to the Town Council, if warranted by the investigation. The Town Attorney shall assist the investigations of the Concerns as needed, to ensure actions taken are in compliance with all laws and regulations. In addition, action taken will include a conclusion and/or follow-up with the complainant for complete closure of the matter.

Contact information for Town Attorney is as follows:

Michael Isenberg, Esq.
109 E. Moore St
Southport, NC 28461
910-457-9506

ACTING IN GOOD FAITH

Anyone reporting a Concern must act in good faith and have reasonable grounds for believing the information reported indicates **an illegal or improper action**. The act of making allegations that prove to be unsubstantiated and that prove to have been made maliciously, recklessly or with the foreknowledge that the allegations are false or may not be correct, will be viewed as a serious disciplinary offense and result in discipline, up to and including termination of employment. Such conduct may also give rise to other actions, including civil lawsuits.

CONFIDENTIALITY

Reports of Concerns, and investigations pertaining thereto, shall be kept confidential to the extent possible, consistent with the overriding need to conduct a thorough investigation. Disclosure of reports of Concerns to individuals not involved in the investigation will be viewed as a serious disciplinary offense and may result in discipline, up to and including termination of employment. Such conduct may also give rise to further actions, including civil lawsuits.

REGULATION COMPLIANCE

The Town will comply with all applicable federal, state and local laws and regulations.